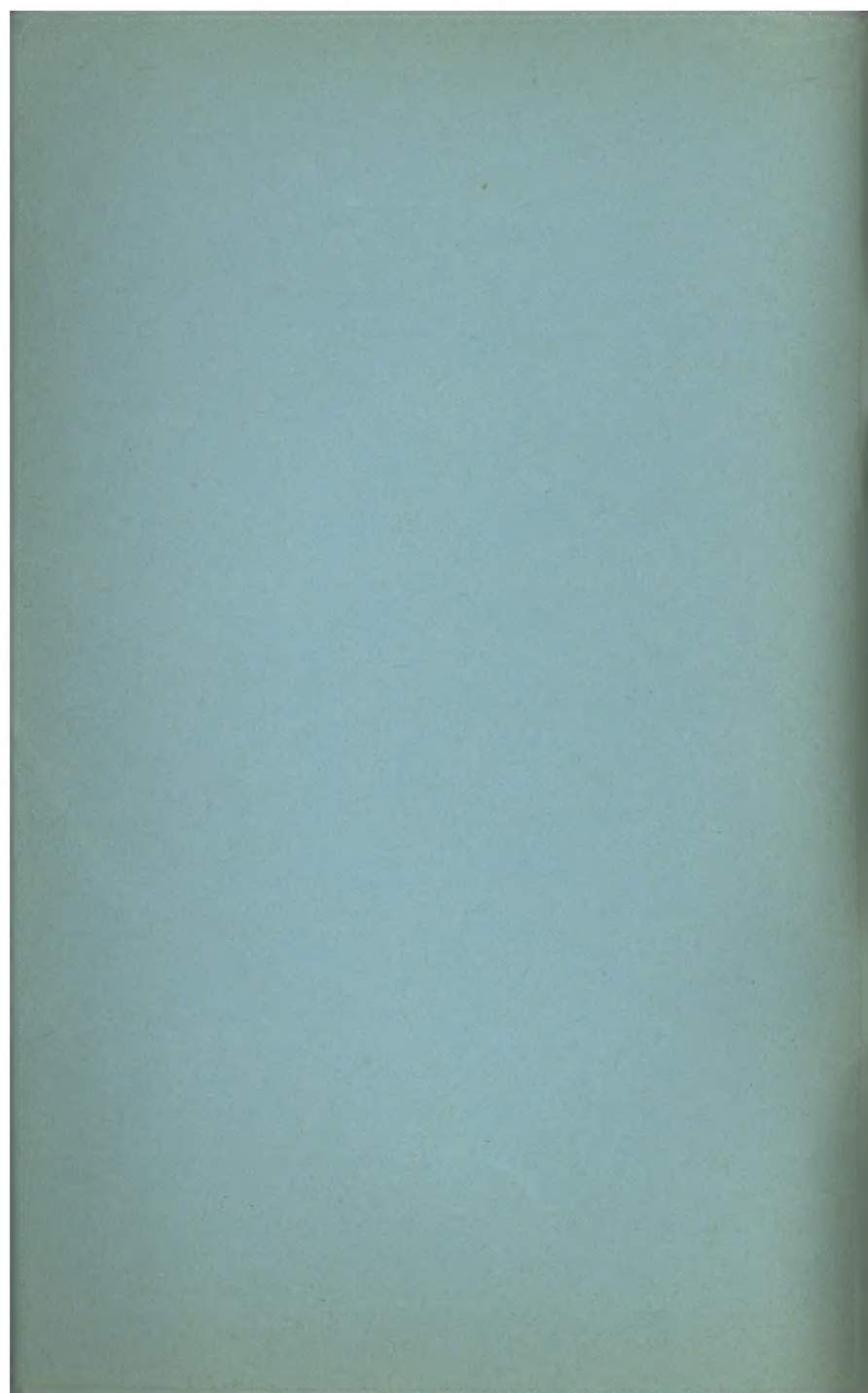


**SOCIAL
DEMOCRACY
IN
CANADA**

By G. H. WILLIAMS

**LEADER OF THE OPPOSITION
LEGISLATURE OF SASKATCHEWAN**



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PUBLISHED January 3rd, 1930

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*This little booklet is dedicated
to the Cause of Socialism.*

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FOREWORD BY THE AUTHOR

This is not a treatise on Socialism according to Marx, Lenin, Stalin, Henderson, Bellamy or Engels. The writer does not pretend to be outlining a theoretical Socialism. He is trying to give an understandable explanation of "This Socialism" which the C.C.F. Movement in Canada are endeavouring to bring into being.

The people of Canada are not interested in ascertaining whether a proposed economic system agrees with Marxism or any other "ism"; they want to be reasonably sure it will work. The writer has endeavoured to show that Socialism will work *here and now* in Canada.

The people of Canada also wish to be quite sure before they reject Capitalism, that a reasonable standard of living is no longer possible under the Capitalist system.

The author has endeavoured in simple language to make clear, not only the present shortcomings of Capitalism, but also the certainty of its ultimate failure, and the causes which make that failure inevitable.

This Capitalism, as the author sees it, will not be Capitalism as Mackenzie King, Holt, Manion or Beatty see it. It will be the Capitalism of the man who is trying to support a wife and family in decency, and does not happen to be either a well-paid politician, a political-economist, or a person controlling great personal wealth. In short, the viewpoint will not be that of a beneficiary of Capitalism, but of one who carries part of the burden of Capitalism.

Chapter 1

Compensation and Debt Payment

Probably the first objection raised against the setting up of a new economic system is that of Compensation and Debt Payment.

Would the Co-operative Commonwealth Federation (C.C.F.) confiscate or compensate? Yes, or no? Unfortunately, as is the case with most questions, this one cannot be answered with a direct yes, or no.

The CCF believes that when an industry is taken over, or a Natural Resource restored to its rightful owners (the people), any physical assets created by the present private owners should be paid for on the basis of their actual replacement value.

Thus, when an oil well is repossessed, the derrick and machinery should be paid for on its actual replacement value—when a railway is nationalized the rolling stock and equipment should be paid for on a basis of its actual replacement value; wear and tear naturally to be considered when deciding replacement value.

The C.C.F. do not believe that watered stock and speculative values of shares should in any way enhance the actual replacement value of the physical assets, and, therefore, no compensation will be allowed on speculative share capital or watered stock, etc.

As for debts, it is to be remembered that this debt problem is not a socialist problem. These debts were not caused by Socialism. They are not a product of Socialism. They are a product of the economic system which is in being at the present time—Capitalism. The problem of dealing with the National Indebtedness, the position of the bond holders, is really a problem of Capitalistic liquidation, and not of Socialist construction.

We are quite safe in saying that as long as Capitalism is able to take care of the bond holders (the creditors) and not starve or beggar the majority of the common people, who are the debtors under Capitalism, will not be forced into liquidation. When, however, it is no longer able to satisfy its creditors, and yet stay in the business of supply-

ing the necessities of life to humanity, it becomes bankrupt and has to be liquidated.

When an organization goes bankrupt no one thinks of asking a new firm, which comes in to do business in the old stand, to commit business suicide by assuming all the liabilities of the organization which failed. The new firm may take over the assets at so much on the dollar, but it never assumes the debts of the bankrupt.

This will be the policy of the C.C.F. No one who actually has a physical asset to turn over shall in any way lose in the change.

What of the aged, the widows, and the orphans? you ask. This Canadian Socialism provides old age pensions, widows' and orphans' allowances, accident and sickness insurance. It is only Shylock who will find himself an unsatisfied creditor in the event of Capitalism's liquidation. He himself has made liquidation inevitable by cutting too many pounds of flesh too near the heart.

It is well for the Canadian worker and farmer to remember that debts can only be paid by the creation of new wealth. In other words, debts are only paid out of people's labor in creating new wealth.

Thus, for every dollar of compensation agreed upon and every dollar of debt assumed by a Socialist Government there would have to be a dollar's worth of the people's wealth given to the creditor to pay the debt.

Of interest charges, it has been said that the "interest rate" is the "means" between one man's need and the other man's greed. When Socialism takes over it will find the "mean" between the chaos of a Capitalist breakdown which will occur if there is no compensation and exploitation of the workers which will occur if the compensation is too large.

Chapter 2

Feudalism, Capitalism, and Socialism

The author has often noticed that Socialist speakers have a rather bad habit of talking about Socialism, Capitalism, Feudalism, Fascism, Communism and Economic Systems without bothering to give any explanation about what he or she means by these terms. In order that this little booklet may be of some value to those who read it, it is the intention of the author to explain what he means by the various terms used.

CAPITALISM AND FEUDALISM

Even today, when there is so much criticism of the present economic system, Capitalism, there are still a number of people who have been taught to believe, and therefore do believe, that Capitalism is somehow or other of at least a semi-divine origin and that it was always here and always will be here.

This is far from being true. Capitalism was not always here and will not always be here. If you go back to your history books you will read of another age, another economic system, called "Feudalism." In the Feudal Age, the laws revolved around and were for the purpose of protecting the Feudal Kings and the Feudal Barons. The laws were not enacted to protect the serf and slave; they were there to protect his Lord and Master, the Feudal King and the Feudal Baron. Because the laws revolved around the Feudal Kings and the Feudal Barons, the age was called after the dominant factor in it and became known as "Feudalism."

But today Feudalism is gone—it has disappeared. Why? It disappeared because human beings never stand still; they progress, they develop. Mankind was not content to stay within the boundaries of little Feudal Kingdoms. Ships began to sail the seven seas. First, the galley ship with its slaves at the oars, then the sailing ship, and now our modern merchantman, carrying the wealth of India, the silks of the Orient, the spices of Araby to the western lands of Europe, the gold of the new world to the markets of the old and the goods of the old lands back to

the new. Gradually those who were engaged in this trade and commerce grew in strength and power. Gradually their power became greater than the power of the Feudal Kings and the Feudal Barons. As their power grew, the laws began to change—the laws began to revolve around the protection of trade and commerce rather than to continue to protect the Feudal Kings and Feudal Barons.

To facilitate trade and commerce, man devised what is known as a medium of exchange, in order that goods might be exchanged more easily and direct barter give way to modern commerce.

This medium of exchange was not always the same thing. Here in our own country in the early days, it was sometimes wampum, sometimes beaver skins, sometimes golden nuggets, sometimes precious stones, sometimes tokens of brass. For a time all over the world it was gold and silver. The Spanish, pieces of eight, and the Dutch dubloon. Today, the medium of exchange is paper, bearing upon it the stamp of government and redeemable, in theory only, in gold. The value of the medium of exchange is not in its own intrinsic worth but rather in the fact that it is the ticket to goods. Today, a piece of paper of exactly the same size and shape may be the ticket to one dollar's worth of goods or one hundred dollars' worth of goods, depending not on the size or texture of the piece of paper but the stamp upon its face proclaiming its value.

Anyone possessing large amounts of this medium of exchange is said to possess capital, and great is his power. He is a new lord of creation. For by the power given to him through the possession of Capital he can command the delivery of goods. He can increase or decrease wages; he can create booms and depressions; he can buy your home, foreclose your mortgage. He can speed up or slow down the wheels of industry. Around him the laws revolve, for he possesses capital, which not only gives him the feudal power to own land but also the control of trade and commerce. He is today's Financial Baron and Merchant Prince.

We may not realize it, but in our modern age 90% of our laws revolve around the protection of invested capital. If you are a worker, a clerk, a manager, a country store keeper, or a farmer and you buy a home or store, or a farm, you will find that you will have to sign a contract

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agreeing to pay a certain amount of money each year or month. Then for reasons over which you have no control, bad times come and you are not able to make the payments. What happens? The law maintains that the amount of money you agreed to pay is due and payable, and the contract must be satisfied, that those who have capital invested cannot be allowed to lose. Therefore, you must either pay or forfeit your home to the mortgage company or the investment company from whom you are seeking to purchase it. You must either pay or lose your home, your farm, or your business. The law does not say, "But the man has a family, he and his children must be protected; they must not be allowed to suffer because of a depression created by those who control capital." No! The law is not there primarily to protect society. The law is there to protect invested capital.

Another illustration: During the past few years the farmers of the west have suffered from a severe drouth. It was neither Farmer John's fault nor the mortgage company's fault. It just came. But, strange to say, Farmer John is the one who suffers, not the mortgage company. They are not partners in suffering. They are only partners when John makes something; then the mortgage companies must have their share. When there is a loss, John takes it all and the mortgage company adds interest to the debt, and drives John deeper and deeper into despair. When the farmer has failed to even get his seed back, the Saskatchewan law does not say to the mortgage company, "Now be a good partner and carry half the cost of the seed." No; the Saskatchewan law says, if the mortgage company loan the farmer money for seed, they may add the amount so loaned to the mortgage, and charge interest at the rate of the mortgage, and in the fall the only priorities are taxes and threshing, then the mortgage companies may seize for the seed grain advances. The invested capital comes first, not John's living, not the care of the family. Our Saskatchewan law makes doubly sure that invested capital will not suffer, by guaranteeing that, should the farmer not be able to repay the advances, including interest payments thereon, then all the people of Saskatchewan, through the Government, will make sure the mortgage company does not lose anything, by repaying to the mortgage company

any balance outstanding, with 5% interest thereon, compounded annually.

Ninety per cent. of our laws are just this kind of law. The object is not to protect society; the object is to protect capital. As a result our present economic system is called Capitalism, because the laws revolve around the protection of Capital.

SOCIALISM

But a change is coming. No matter where you go, no matter to whom you talk, the demand is heard that our laws should begin to protect society; that capital should be made the servant of man, not man the slave of capital. Socialistic parties are arising all over the world, which are pledged to enact laws in the interest of society, and to so control capital as to use it for the benefit of mankind. As an illustration, the Social-Democratic Party of Canada, the C.C.F., announce that when they are elected to power they will amend the Land Titles Act and the Civil Rights Act in such a manner as to make the present injustices insofar as land contracts are concerned, impossible. They will so amend the law that no contract for the sale of land, and no mortgage agreement, will be recoverable at Court unless it contains within it a clause stating that in any year the value of the crop is less than six dollars per acre, no payment shall be due on the principal, and no interest shall be chargeable. The C.C.F. couple this social legislation with a declaration that it will use the Moratorium Power and the Limitation of Actions Act to force an adjustment of debt. The C.C.F. declares that the guiding principle of the adjustment will be, that the first charge on any piece of land will be a decent standard of living for the man who tills the soil. It is obvious that legislation of this kind is in the interest of society and will usher in the day when capital and wealth will be used to protect society.

This is, of course, but one plank in a programme of social legislation. The world over, Social-Democratic parties are placing laws similar to this on the statute books. New Zealand, Sweden, Denmark, Norway are pointing the way to the new age, to the time when the laws will revolve around the protection of society, to the time when society itself will be the dominant factor in economic life. When that day arrives we will no longer call our economic system

"Capitalism," for it will not be Capitalism; the laws will not be there to protect invested Capital. We could not call it feudalism, for it will not be feudalism; the laws will not be there to protect the feudal kings or feudal barons. We will call it after the name of the dominant factor, the thing around which the laws revolve, the thing which the law protects—society itself. We will, therefore, call it "Socialism." This is the type of economic system the Social-Democrat refers to when he speaks of Socialism.

Chapter 3

Socialism and Communism

You are probably often asked if there is any difference between Socialism and Communism. Indeed, here in the Western Hemisphere attempts are made to prevent Socialist parties gaining ground by accusing them of being Communists. It is, therefore, quite necessary that we should be able to accurately define Socialism and Communism. Are they the same thing?

Socialism and Communism are not all the same thing. Socialism is an economic system based on the theory of "Public Ownership" and "Production for Use." Communism is not an economic system at all. To use the word Communism as indicating an economic system is to betray ignorance of economic facts. Many people who know better are prone to use Communism and Socialism as synonymous terms. Generally it is done in an attempt to mislead.

We have amongst us a large number of people who believe in an economic system known as "Socialism." Socialists believe that this world should accept Socialism because it is just and right, and in the best interests of humanity. They wish humanity to become sufficiently developed; educated, if you will, to demand Socialism, not only in the existing forms of Post Offices, Public Waterworks, Education and Public Health Departments, but Socialism in every walk of life. This objective they would attain by constitutional means; by the process of education, and by the power of the ballot.

But, we also have a group of people who, looking through the centuries on the upward struggle of humanity from Feudalism to a future state probably far in advance even of Socialism, have become discouraged and impatient with the slowness of evolution. Believing Socialism to be right and just, they would force the people to accept it willy-nilly, whether convinced of its merits or not. These people are Communists; they would impose the economic system of Socialism upon the people because they believe it is good for the community, even though imposing it might mean warfare and bloodshed, and even though they

might have to maintain it afterward by military force. Indeed, the Communist believes that even after the defeat of Capitalism, Socialism could only be maintained by armed force, but the Communist is not Socialism. Socialism is an economic system, and a Communist is a man or woman who would bring that economic system into being, and maintain it, by the force of arms.

The Socialist wishes to bring about a change in our economic system from Capitalism to Socialism by peaceful methods, and maintain the new system in a peaceable way. He believes this can be done. At any rate, he has faith enough to try to do it by constitutional means.

The Communist, while he may wish the change to be accomplished in a peaceable way, does not believe it to be possible. Therefore, he prepares for that which he believes to be inevitable—war and revolution.

There are, of course, various shades of Communism. There are those who believe a revolution to be unavoidable and therefore prepare for it. Then there are those in the ranks of the Communists who may possibly best be termed aggressive revolutionaries. They show every indication of desiring a violent revolution. They ask for only those things they know will be refused, and bitterly oppose every reform move which might bring about Socialism in a peaceable way.

Then there are those who do not seem to be Socialists, at all, but rather concerned only with getting as much relief as possible out of Capitalism—who seem to be much more concerned with Capitalistic Reform than with Socialist Construction.

At the moment, Communists in Canada are in a most illogical position. They claim to be Constitutional Socialists and claim to be striving for unity in Constitutional Socialist ranks. And yet, they seek to divide the Socialist ranks by maintaining two Socialist organizations. To justify their action they have to take the position that they are the real Socialist party, and the C.C.F. is just a make-believe. To bolster up this position they continually attack C.C.F. policies and leadership. This is probably a very good thing for the C.C.F. leaders, but strange to say, in spite of their claims to be real Socialists, they rarely talk Socialism any more, but rather consort with Capitalistic

reform parties, such as Social Credit, and talk about the necessity of unity between the progressive parties. Among those progressive parties they number "Social Credit," which was conceived by its founder only as a means of continuing Capitalism a little longer, and whose Canadian exponent, Mr. Aberhart, declares himself to be a firm supporter of Capitalism. Because of this attempt to mix oil and water, Communist-inspired moves towards "unity" have resulted in every instance to date in "disunity" rather than "unity."

The Canadian Communists must know what caused the downfall of Kerensky, the Social Democrat in Russia, and Ramsay MacDonald, the Social Democrat in England—they must know that these men placed their faith in a fusion of progressive groups, and when the crisis came, not having a socialist support, had to adopt Capitalistic reform measures and, therefore, faced inevitable defeat. Being surrounded by broken reeds, they themselves became broken reeds. One cannot help but wonder just why it is that our Canadian Communists are continually urging the Social Democratic party of Canada (the C.C.F.) to adopt a policy which they know has destroyed Social Democratic parties elsewhere.

Chapter 4

Difference Between Capital, Capitalism and Fascism

Then we have the Capitalist. Possibly we have been forced into rather an erroneous way of so designating any person who has attained any large amount of wealth. To my mind, that is not necessarily correct. Capitalism is more a matter of mental make-up than of material possessions, remembering always that a person's material possessions very often have a deciding influence on his or her mental make-up.

There are hundreds of thousands of Canadians who go about their daily tasks paying very little attention to the economic system of the day. As a matter of fact, there are thousands of people who do not know that an economic system exists. They neither support nor reject, either Socialism or Capitalism. They really do not know what it is all about. They simply go on living from day to day under the economic system which happens to exist at the time. You could not call these people Capitalists any more than you could call them Socialists; but we do have the Capitalist. We have the man who would force the people to continue to live under Capitalism willy-nilly, whether they want it or not, not because he believes it is good for the people, but because he believes it is good for himself. This man is a Capitalist, but not quite a Fascist. There are men who would do this even though they know they would have to resort to force of arms to maintain or recapture their position of power. Men who would refuse to accept a majority constitutional decision on this subject. They would use force and violence to deny the people the right to democratic self-government. People who do this are Fascists.

Thus we not only find that supporters of Capitalism who use the term Communist when referring to Socialists, are in error, but also that the terms Capitalist and Fascist are not interchangeable, nor are the terms Capital and Capitalist synonymous.

The term Capital is used in at least three different ways. It may be used to denote the possession of varying amounts of the medium of exchange (Capital in the form of money).

It may be used to denote the possession of goods (Capital in the form of goods).

It may be used to denote the possession of machinery to manufacture goods (called Capital Equipment).

Capital is real wealth—either in the form of goods themselves, machinery to manufacture goods or a medium of exchange to buy goods.

The world will always need Capital and Capital equipment, but the world would be well rid of the Capitalist who seeks to impose the profit motive of Capitalism upon the world for his own gain.

The world does not want a dictatorship of either the Fascist or the Communist. What the world really needs is Socialism, which is the economic reflection of the spiritual gospel of the Brotherhood of Man. What the world will have depends on the collective wisdom, or lack of wisdom, of the masses.

One thing is certain, that in the end we will have to use our intelligence to solve our economic problem. Some advocate violent revolution to rid the world of the Capitalist. But after revolution we would still have to use our intelligence to make the new Social system work. Why not use it now and avoid violence? Allowing always that a few Capitalists may try to maintain their privileged position by armed force in the face of a democratically elected Socialist Government. True law is always the greatest good for the greatest number, and should such opposition develop, the Socialist Government which would then have control of the machinery of the law must use that machinery to protect the people. The will of the people must triumph. The few must not be allowed to cause the many to suffer.

To sum up: There are in this world at the present time two economic systems, struggling for mastery—Capitalism and Socialism. In a few backward countries the last faint vestiges of Feudalism still remain, but the struggle for power today is not between Feudal Kings and Capitalist Barons, but rather between Capitalist Barons and Society itself.

Every country has adopted as its economic system one of these two—Capitalism or Socialism. There are, however, two different ways by means of which either system can be adopted. In Canada, the Liberal Party, the Conservative Party and the Social Credit Party all believe in Capitalism; therefore, when anyone votes Liberal or Conservative or Social Credit they cast a vote for the retention of Capitalism. When then have Capitalism by the choice of the people—a Capitalistic Democracy.

The time may, however, easily come in Canada when the electors will vote for Socialism by voting C.C.F. In that case we would have Socialism in Canada by the choice of the people, just as we have Socialism in Sweden and New Zealand by the choice of the people—a Social Democracy.

Or the time might come as it did come in Spain, in Germany and Italy, when the people, growing weary of Capitalistic exploitation, began to rally to the Socialist cause—even in some cases to the extent of electing Socialist Governments. Then those who had profited out of the ability to exploit people through Capitalism determined to overthrow the Social Government, either seized power through a military coup or fostered a revolution in order to maintain the economic system of Capitalism or as in the case of Germany having gained power by the ballot, they then took away the free democratic franchise and continued in power by the force of arms. Thus Capitalism was maintained at the point of the bayonet and the muzzle of a machine gun. In that case you would still have Capitalism but not by the choice of the people. Rather it is forced upon them by violence—the power of arms and the power of the state. Capitalism maintained in that manner is called Fascism. It matters not that these people in their rise to power fooled the masses by the use of such pseudo tremas as “National Socialist,” etc., for the fact still remains that the economic system under Fascism is still one in which they who own capital use it to create for themselves profit. The only difference is that they have now seized the power of the state to protect their ability to retain their profits. These people are no more Socialists than a monkey is a man. He may look like one

and act like one but he is still a monkey. So also Fascism is still capitalism.

Or it might happen as it did happen in Russia, that after years of oppression, exploitation and disastrous war, the people rose in revolt and swept away their feudal masters, and there arose from among the people men who said: "These people, who can neither read nor write and who are not schooled in self-government, cannot hope of their own democratic choice to build up a just economic system; we, therefore, believing Socialism to be a better economic system than Capitalism, will put it into practice and maintain it at the point of a bayonet and the muzzle of a machine gun."

Thus, while Russia attained to the economic system of Socialism, where goods are produced for use rather than for the profit of an owning class, and capital is used to serve society instead of bringing profit to a few, she did not attain to it by democratic methods, but rather by force, and maintains it by a Dictatorship of the Proletariat. That method of attaining to or maintaining Socialism is called Communism.

Thus we find that we have two economic systems—called Capitalism and Socialism. We may have either of them by our own choice by voting for them. In that case we have either a Capitalist democracy or a Socialist democracy. Or we may have either of them imposed upon us by force, in which case we will have Capitalism under Fascism or Socialism under Communism.

In Canada the C.C.F. holds the same position as the Labor Party does in England and New Zealand or the Social Democratic parties do in the Scandinavian countries. It is a Social-Democratic party and will, when it is placed in power by the electors, bring to us a Socialist democracy.

For Canada, the C.C.F. is the "Middle Way." It is the only ultimate alternative to a dictatorship of either the right or the left.

Chapter 5

What Is This Thing Called Economics?

In order that this little booklet may be as valuable to us as possible, it will probably be well for us to define what people mean when they talk about economics.

Probably the very best person to go to for a definition of economics would be an Economist. Most people do not like to have anything to do with Economists, because they have the reputation of being dreary people, full of long, involved sentences, which give the average person a very bad headache; but in this particular instance were you to ask an Economist what is meant by economics, he would give you a surprisingly simple answer. He will tell you that economics is the science of creating the greatest amount of goods and services possible with the least expenditure of human energy, or in ordinary barnyard English, he means that the science of economics is the every-day job of making all the goods it is possible to make—tables, chairs, automobiles, homes, sewing machines, silk stockings, etc., with the least amount of work; and services—the training of the greatest possible number of men and women to be doctors, nurses, teachers, engineers, in the most efficient manner—this is the science of economics.

When you think it over, you realize this is also the science of life. It is the thing we and our ancestors have always tried to do. We try to give our children a good education. We say we do it so they will have an easier time in life, a better standard of living. What we really mean is we are trying to train them to make more goods, to give more service, with less work, so that they will have more time to enjoy the things they have created. This is the science of economics.

The Feudal Lord tried to organize his country, his domains, for this purpose; in order that he and his ladies and the courtiers might enjoy a better life.

Capitalism also strives to produce more and more goods, with less and less work, in order that they who own the machinery of production and distribution may enjoy greater profits.

Socialism strives to produce more goods with less work, so that those who create the wealth may have greater leisure to enjoy the goods they have created. This is the science of Economics. It is the oldest of all sciences. It is life itself.

Chapter 6

Why We Face Inevitable Capitalistic Failure

Pick up your newspaper today and you will find that you cannot scan a single page without reading of unemployment, relief, bankruptcy, foreclosures, and, always in the offing, the grim threat of War. In the background of everyone's mind there hovers the shadow of fear—fear of the future: parents fear they may not be able to care for their children; young people fear to marry, lest unemployment be their portion; and children on the threshold of life view the world with alarm. Obviously our economic system called "Capitalism," insofar as the average man is concerned, is a dismal failure.

It is, however, not enough to know that it has failed; we must know why it has failed, and either readjust our system so as to make it work, or prove to ourselves that it will not work, and then, having proven that it will not work, set about to build a new one.

If we desire to understand what is wrong with our present economic system, we must know the basis upon which it operates, the motive power that drives it. Again let us go to the economist. This time we will ask him to tell us what it is that makes Capitalism function; what makes the wheels go around, what is its motive power. Again the Economist will give you a very simple answer. One that is readily understood. He will say, "Well! Under this economic system which we call Capitalism, we have always believed that the best possible way to create the greatest amount of goods and services is to give each individual the right to make a profit; and we have always believed that there would be enough purchasing power released into circulation in the form of wages, during the process of production, to enable the people to buy the goods which have been produced."

There in simple language are the twin theories of Capitalism; the theory of production, and the theory of consumption. Capitalism believes that the motive of profit is necessary in order to persuade people to produce goods, and also believes that enough purchasing power will be

paid out in wages to enable people to buy the goods which have been produced.

But you and I know it has not worked—you and I know that there are many things which we would like to have, many things that have already been made which stay on the shelves of our stores month after month. We want them and yet we cannot get them. You and I know that factories that could produce great quantities of things we want are oft-times closed. They are closed, not because we do not want the goods they would produce, or because there is no one to run the machinery in the factory. We also know that there is any amount of goods already produced which we cannot buy.

Were you to ask an Economist just when an economic system is a success or a failure, he would tell you that when the economic system is producing all the goods possible out of the Natural Resources by applying the machinery of production to them (being, of course, labour, factories, farms, etc.), when it is training all the boys and girls in its colleges and schools to give services by training them as doctors, nurses, stenographers, engineers, clerks, etc., if it is doing these things, then after having created the goods, they are distributed and become the property of the people, to be owned, used and enjoyed, and the boys and girls, having been trained, can find jobs, earn salaries, and build homes, *then the economic system is a success.*

But, if it either fails to produce the goods, or having produced them they pile up on the shelves, and people find they cannot possess them; if it fails to educate the people, leaving them untrained and in ignorance, or having trained them, they walk the streets unable to find employment, unable to build homes or care for their young, *then in that case the economic system is a failure.*

We know that, judged on this basis, our economic system has failed. Some of our factories are closed, goods already produced cannot be sold, men and women trained and eager to work are homeless and unemployed. It is quite obvious that the theories of Capitalism have failed to produce a satisfactory economic system.

Why is it, then, that these two theories have not worked? If we can find the key to this failure, we will then be able to decide what must be done in order that

society may be protected.

Let us find out whether the factories are closed because we lack the raw materials. In the city in which I live, there is a large Assembly Plant for automobiles. It has operated only a few months out of a number of years since it was built. Is it that there is not any raw material which could be used in this plant, or is it that there are no unemployed in this city? Examination proves that neither one of these two things is the case. There is plenty of material and plenty of people to work in the factory, yet for much of the time since it was built the doors have been closed and the assembly line silent, or at best operated only part of the time. If you go to the Owners of the Plant and ask them why they do not operate to full capacity, they will say, "Why, don't you know, we cannot sell the goods if we do?" And yet when I go out amongst the people I find that each and everyone of them would like to have some of things this factory could turn out. What is it, then, that is wrong? Again the answer is a rather simple one.

If we would take any article that is placed on the market today, it does not matter what it is, whether it is an automobile, a suit of clothes, a can of salmon, or a sack of flour, we will find that four main things make up the selling price of the finished product. First there is the cost of the raw material, then there is the cost of labour, then the cost of capital and finally the profit. The selling price of the goods must be equal to these four. But—and here is the significant thing—although the selling price of the article must be equal to the total of these four, the total of two only and an insignificant portion of the other two is all the money actually put into circulation to buy the goods, and yet the goods have to sell for the total of all four.

Let us check that statement to see if it is actually true. Let us take flour as an example: when we paid the farmer for the wheat, let us say we paid him \$1.50, that money goes into circulation to buy flour. When we paid the man in the elevator who handled the wheat his wages, we are putting some money into circulation to buy flour; when we paid the man in the mill who made the wheat into flour his wages, again we were putting some money into circulation to buy flour; when we paid the man on the railroad

who took the wheat to the mill and the flour back to the merchant his wages, again we were putting money into circulation to buy flour; when we paid the merchant the difference between the wholesale cost and the retail selling price he received his wages, and this money went into circulation to buy flour. The total of all these wages to be charged against each individual sack of flour is, we will say, another 50 cents—now we have covered the cost of the raw product and the cost of wages. The next cost is the cost of Capital. There is the interest the farmer pays, that has to be covered in the selling price of flour. There is the interest the Elevator Companies pay, that has to be covered in the selling price of flour. There is the interest the miller pays on the capital to operate his mill, that has to be covered in the selling price of flour. There is the interest the Railway Companies pay on the capital they use to operate their business, that has to be covered in the selling price of flour. There is the interest the merchant pays on the capital to operate his business, that has to be covered in the cost of flour. But how much of this interest actually goes into circulation to buy flour? Very, very little of it—some of it does, but very little. The amount that the banks and financial institutions use to pay the wages of the clerks, stenographers and managers employed by them, goes into circulation to buy flour, but by far the greater amount of it goes into Reserves, Sinking Funds, Accumulations and Capital Investments, and not into consuming power to buy flour. The total interest charge against each sack of flour is probably another 50 cents, but approximately 10 cents of it is actually paid as wages and therefore goes into circulation to buy goods.

The same thing is true of profits. The farmer, of course, does not get any profit, but the Elevator Companies make a nice bit of profit. Mr. Dunning could tell you that the Maple Leaf Milling Company makes a nice little profit and when the flour is sold it has to cover that profit. How much of these profits actually go into circulation to buy flour? A small amount does, but a very small amount. Whatever the shareholders use from their dividends to buy actual goods goes into circulation as purchasing power, but the great bulk of these profits go into Accumulations, Reserves, Capital Investments, and do not actually go into

circulation to buy flour. If we accept \$1.00 as being the total profit charges all down along the line it raises the selling price of flour \$1.00 but only some 20 cents out of this dollar is paid out in wages to buy flour. Thus we face a situation in which the selling price of every article of commerce is greater than the amount of money paid out in wages to buy the goods. Therefore, the goods cannot be sold. They pile up on the factory shelves—they pile up in the retail stores. They back up in the factories. The factories begin to go on short-time shifts and finally close down. Unemployment and low wages result from these shutdowns. Indeed, the situation has become a vicious circle. Because there is not enough purchasing power released into circulation in the form of wages to buy the goods, factories slow down, unemployment appears—this is seized upon as an excuse to cut wages, in the hope of making more profits—the cuts result in less purchasing power and fewer sales, more closed factories, more unemployment, and still lower wages. In the words of Major Bowes, "Round and round it goes, and where it ends nobody knows."

In order to clearly understand the situation, let us go back to the statement of the Economist that economics is a science of creating more and more goods and services with less work. Let us remember that this is the age-old urge of life—the thing for which science and inventors, workmen and scholars have struggled. Small wonder that we began to reach this goal; small wonder that we developed modern machinery and began to engage in what we call mass production. As a result of this mass production we have now reached the day of plenty insofar as creating goods is concerned.

When that day came, whether we realized it or not, we had reached the end of one age and the beginning of another, for is it not obvious that when the inventive genius of man makes it possible to create thousands of bolts of cloth with the modern loom, instead of one bolt with the old-fashioned spinning wheel; to grow millions of bushels of wheat in place of a few thousands; to produce millions of pairs of shoes in place of a few hundreds, as in bygone years—that we had reached the age of Plenty. Right then we were faced with a choice.

We might have said to ourselves, "Eureka! we have found it; we have now reached the age of Plenty—we are now able to produce more and more goods with less and less work; therefore, we will cut down the hours of labour, we will spread out both the labour and leisure so that all may have employment and all may have the leisure to enjoy the wealth they have created through their employment." We might have said to ourselves, "Now that we can create more and more goods with less and less work, if the people are to have these goods to own them and enjoy them, if our stores are to flourish, and our factories are to run, and our boys and girls to have jobs, positions, security, then we must raise the wage rate in order that we may purchase the goods we have created, and thus keep the factories running and the stores selling." We might have also said to ourselves, "Why pay interest on this capital and thereby give great wealth to a few—so great a wealth that they cannot use it, and have to put it in Sinking Funds and Reserves and Accumulations, thereby failing to use the goods which their purchasing power makes theirs." We might have said to ourselves, "Would not it be better if all the people controlled the capital through their Government? and instead of paying interest to usurers and money lenders we will have the State (meaning the people themselves through the Government) control the issue of currency and credit, the qualification for loans not being that the applicant can make a profit out of his brother man, but rather he is going to produce something out of his credit which will be of value to himself and fellow man, and on that basis the charge for the use of capital would be the actual wages paid by the Government to clerks, stenographers, managers, etc., in the credit institutions.

We might have done these things, but if we had we would have automatically done away with interest on capital; the cost of capital would have disappeared out of the selling price of our goods, and as we increased the wage scale we would have been forced to cut down the profits and finally profits would have been eliminated; we would have reached the place where the wage, cost, and selling price of the goods would have been equal. We would then be producing for use and not for profit. In other words we would have had Socialism. Productive

activities would have been for the purpose of serving and protecting society, rather than the making of profits for those who control Capital. And because our activities would have revolved around the protection of Society rather than around the protection of Capital, we would have had Socialism rather than Capitalism.

Unfortunately, however, the same incentive for profit and the same greed which has been the driving urge of Feudalism was inherited by Capitalism, or as some of our Philosophers put it, our Social Consciousness has lagged behind our Productive Intelligence. We were in the twentieth century mechanically and still in the eighteenth century morally. Because this was so, those who owned the machinery of production, the Natural Resources, those who controlled transportation facilities, and the medium of exchange, etc., could see only themselves and their own well-being. They could not see that some day "He who seeks only to save his own soul will most surely lose it." Therefore, none of these things were done, but rather self-seeking and greed were the order of the day. Every attempt was made to frighten the people away from an economic system which would protect Society. Socialism became a by-word, a thing to be feared, shunned and despised. Our Churches, our Educational System, our Newspapers and even our Schools became a bulwark of Capitalistic Propaganda.

As the struggle for profits extracted more and more purchasing power from circulation, and more and more unused goods piled up on the shelves, society was urged to try everything except the one thing that would work. First, loans—credits against the collateral of the people; but inasmuch as these loans always created a debt, and inasmuch as they always earned interest, and the interest could not be paid out of the money borrowed, but had to be paid back in addition to the money borrowed, and could, therefore, only be paid from the peoples' goods, which was the collateral on which the loans were made, gradually this loaning business resulted in the wealth, and even the future earning power of the people, becoming the property of those who controlled the original capital.

As the power that lay in the possession of capital became more and more evident, those who were in control

began to look about for greater means of increasing their capital. Loaning capital at interest was obviously a fruitful field. Interest was the counterpart in Capitalism of land rents in Feudalism. Capital had become the "Ticket to Life," just as land had been under Feudalism, and rent was now charged on capital.

Just as Feudalism had hastened its own end by excessive land rents, forcing more and more people into trade and commerce as a means of livelihood, so now Capitalism began to accomplish its own downfall by excessive money rents (interest).

Not only were the actual rates high, but also ways were found to prevent money from getting into circulation unless it first paid interest. Gold and silver were declared legal tender. Paper currency could only be issued on a basis of a gold or silver reserve and this issue had to take place through Chartered Banks. For instance, in Canada, Government paper currency printed by the Bank of Canada is put into circulation through the Chartered Banks and, of course, draws interest to the Banks. Issues of Government bills are made by the Government to the Canadian Banks when they present gold, mutilated notes or approved securities. In the case of Dominion notes issued to the Banks, against a deposit with the Government of Bank securities, the securities are released by the Government and returned to the Bank, whenever the Bank pays back into the Dominion Treasury notes of equal value to those which they received when they deposited the securities. The Finance Act calls for a charge, up to 5%, for the use of these Dominion notes. The average charge seems to be about 3%. The Banks loan the Government currency out to the Canadian people at various rates of interest from $3\frac{1}{2}\%$ to 8% and sometimes at even higher rates. Credit and checking became a Bank function and thus complete control of Capital, "The Ticket to Life," rests now in the hands of the new Lords of Creation—the Financial Barons.

By restricting the amounts of paper money in circulation, gold and silver was made more valuable in terms of goods. At length, the available supply of gold became quite inadequate as a means of effecting exchanges of goods. It was concentrated in the hands of a few persons or institutions. As a result of this situation, it became

necessary to resort to bank credits for the financing of industry. In every capitalist country banking institutions now control the credit facilities of the country, and do in reality issue credits, or loan money, to many times the amount of their capital. For instance, any Chartered Bank in Canada is empowered under the Bank Act to make loans up to 10 times the amount of their Capital.

In actual fact they loan money they do not possess by creating bank credits. When you go to the bank and are given a loan of, say \$1,000.00, the banker orders that sum to be paid to your credit. When that credit is entered up in the books of the bank, \$1,000.00 of new credit is instantly created. The collateral for the new \$1,000.00 is your promise to pay the bank \$1,000.00, secured generally by a note signed by yourself. The bank, in other words, is loaning you your own credit or monetizing your own credit. If you do not repay the loan the bank is able to sue on the note and recover the loan from your property by a legal seizure through the courts.

You naturally say, "Well, how is it possible to loan 10 times more than they possess. If everyone demanded cash the bank would be unable to pay it."

That is quite true, but the fact is that people do not demand cash. If they did, all banks would have to close their doors. That is what sometimes does happen in "a run on the bank." But practice has proven that most people are quite content to use bank cheques and not demand actual money. Therefore, it is in practice quite possible for the banks to monetize your credit and loan out 10 times more capital than they actually possess. Credits meant interest. Interest meant further indebtedness and, of course, pyramiding debts resulted, until today we find the nations of the world owing staggering sums to great financial institutions—sums far in excess of the world's total ability ever to pay.

As long as the financial institutions would continue to advance credits in the face of probable non-repayment, industry could continue to function. This, however, was too much like playing poker for matches, just for the fun of allowing everybody to play.

To continue financing industry just to enable industry to function is, from the viewpoint of Capitalism, poor

banking. Money must earn money, it must increase itself, and as this was no longer possible, loans began to dwindle in volume. With the dwindling volume of currency and credits, purchasing power naturally dwindled too because the volume of the medium of exchange continually shrank as compared to the volume of goods to be exchanged. Profits, rent and interest have piled all the wealth up in the hands of a few. Therefore, we now find goods piled up on the shelves—quite unsaleable. Not that there is any lack of demand for the goods, but because the purchasing public have not the money with which to turn a need into a purchase. Poverty amidst plenty, born of greed and of the desire for profit—such is Capitalism. •

Capitalism has given to the world many great achievements, many inventions. It has solved the problem of production but now chokes over the problem of consumption. Before the goods can be produced it must distribute more "Tickets to Life" (money). Under logical Capitalism each turn over of money must bring rent (interest) and the world already owes more interest than it can pay. Under Capitalism, the motive is profit—but already people are so poverty-stricken they can no longer buy goods at prices profitable to the owners of the modern business world. Thus we reach the ultimate end—poverty amidst plenty.

Various expedients have been used by Capitalism in its attempt to overcome its fatal failure to distribute the goods. It has tried to destroy goods by war and by dumping them in the ocean. It has tried to bolster up purchasing power (consumption) by unemployment doles, credits, and by instalment buying.

Capitalism tried unemployment insurance, but found that unemployment insurance was not a cure for unemployment, because unemployment was not caused by so-called bad times. It had come into being because modern inventions had so increased production that, in order to have any real effect in providing a market for the goods produced, much greater purchasing power was necessary than was created by wages plus such contributions as Capitalists could be induced to make through taxation to the dole. Either profits had to go or unemployment had to become permanent.

It was discovered that we really do not need everybody

working eight hours a day to produce all the goods the world requires; particularly is this so where consumption is limited to goods than can be sold at a profit. It became evident that in order to make consumption keep pace with production, wages would have to equal the selling value of the goods produced, which outrages Capitalism's theory of profit, and, indeed, would do away with profit altogether. Therefore, Capitalism now tends to reduce unemployment grants to bare subsistence level, or, to put it another way, to give no more relief than is necessary to prevent revolt on the part of the unemployed.

Production credits and instalment buying also failed as a solution, because the property owned by the people grew rapidly less and less until a point was reached where those to whom credits were to be extended had not sufficient means to ensure a profit on the money loaned. Indeed, as purchasing power dwindled, production credits became not only barren of profit but a source of loss, because the goods produced by the credits were, in their turn, unsaleable. Bankers are good bookkeepers, though poor economists, and they know a loss from a profit. So, when it ceased to be possible to draw interest upon a loan and even ceased to be possible to recover the principal, the loans dried up at their source. Under these circumstances instalment buying, too, because unprofitable, instalments were not paid, goods returned to the seller and more and more unsold articles piled up in the factories.

INFLATION

Capitalism has even tried the experiment of putting money into circulation without requiring what is termed sound collateral security. They have tried what is generally termed inflation, or increasing the volume of money in circulation.

When this increase in the volume of money took the form of production loans it was found that the period of relief was short, and that while it did temporarily relieve unemployment and increase the purchasing power of the masses, it also increased production and so increased the amount of unsaleable goods. As under Capitalism a portion of every inflation must go into profits and reserves, this meant a further upsetting of the balance. Wages paid out by virtue of the inflation were, in the final analysis, less

than the selling price of the goods produced, and goods continued to pile up in spite of inflations.

It was also found that as the volume of currency increased, the price level of commodities rose. This was at first caused by the fact that in the early part of an inflation the ratio of currency to goods is increased. This naturally causes a cheapening of money as compared with goods because there is more money available to exchange for the same amount of goods, that is to say prices rise. But when the inflation, in the form of production loans, begins to increase production, the price level tends to remain high even though the ratio between goods and currency has returned to its former level. The result is that the last condition is found to be worse than the first. Either a mad race takes place between rising commodity prices and increasing inflations, or the inflation is halted and purchasing power still remains inadequate.

SOCIAL CREDIT

The last illusion of Capitalism as a possible stop-gap is known as "Social Credit." Those who have temporarily accepted Social Credit theories will follow you in all of your economic analysis right to the point where you prove that there is not enough purchasing power in circulation to buy the goods and then they will say, "Ha! there is a nigger in the woodpile; we will fix that. We will change everything without changing anything, we will still let people go on taking their profits, we will put enough money in circulation in the form of Social Credit so that there will always be enough purchasing power left to distribute the goods even after some of it has been taken out in the form of profit." In other words, they seem to think that the Capitalist would agree to play checkers as give-aways instead of for keeps. The Social Credit people claim to be able to divide the apple up and still leave the apple with the person who has it.

The trouble is that they overlook one primary fact—namely this, that the only person who can issue the tickets for goods is the person who owns the goods. That is the primary reason that inflations fail, and Social Credit is only a new form of inflation. The moment that anyone seeks to put more tickets into circulation to buy the goods which

already belong to somebody else, that somebody increases the price of their good. "Ah! but," says my Social Credit friend, "I won't let them do that; I will fix a just price for goods." "Oh, will you?" replies the Capitalist owner of industry. "In that case I will just close my industry down and go on a holiday." Right there the Capitalistic-minded Social Crediter passes out of the picture, but the Social Crediter who is game to go through with it says, "Ah, ha! in that case I will become a Socialist and take over your business and operate it," and he enters Socialism through the back door. Personally, this is not the way I want to get into Socialism; I want to go into it through the front door with a band playing and a flag waving. For surely it is obvious that if you try to cut down the tree of Capitalism by cutting off the arms and legs of the retail merchants by price fixing, and proceeding from there to the wholesale house, and from the wholesale house to the manufacturer, and then gradually from the manufacturer to the man who controls the Natural Resources, and gradually from there to the socialization of banks, you are going through a very long and unnecessarily painful process and incidentally one that is not likely to succeed.

Much better to do what New Zealand has done, what Sweden has done; go at it from the top down instead of from the down side up. Instead of doing a lot of useless talking about Social Credit, go ahead and do as these countries did, Socialize credit by placing the banks under the control of the state and then begin to take over your Natural Resources—set up Marketing Boards and pass your protective land laws—set your minimum wages and your hours of labour—set up state enterprises and co-operatives to combat profit-making monopolies and you will reach the new age when the laws revolve around society in a common sense and painless manner.

Interwoven into the mesh of profit-making are all the traditions of Capitalism, all its usages, all its beliefs, Gold Standard, Bank-controlled Currency and Credit, Interest, Rent, Private ownership of the Natural Resources, Private control of the means of Production, Distribution and Exchange, domestic or international. In curtailing profits, all of these must go, and Capitalists cling desperately to them all, lest, losing one, they lose all. What of the humble

masses, the unemployed, the homeless, those who were born in want, who live in fear and die in a torment of dread for their children's future? For them the Capitalist feels very sorry, but not sorry enough to give up his profits.

Sometimes, under tremendous pressure, giving up one section of the profits has been tried and in some instances it was found that it could be done without destroying the whole fabric of Capitalism. Thus we have the contradiction of social services in Capitalistic economy—Education (of a kind), Public Postal Service, Waterworks, Streets, even Electric Power Plants, etc. Capitalism resented these advances by Socialism, fought them bitterly, but has been forced to capitulate on many points.

Now Capitalism faces the final test. Capitalists must make the economic system work, this time not for themselves, but for humanity; if they cannot make the system work for the good of humanity and still remain a Capitalist system, then Capitalism must pass even as Feudalism has passed. Quite obviously, Capitalists cannot make it work, because you cannot sell goods without a buyer, and you cannot buy without money. Before the buying public can buy all the goods produced, the money in the hands of the buyers must equal the value of the goods for sale. This leaves no room for billion-dollar reserves of Capital, built up from interest and profit. To place in the hands of the people sufficient money to buy the goods produced, remembering our almost unlimited ability to produce, would be to render meaningless the Capital reserves and the fortunes of our Capitalists. It would, in effect, neutralize Capitalism. It would bring in its train production for use and not for profit. In other words—Socialism. What else is there other than Socialism except chaos? But, will Socialism relieve the situation?

Chapter 7

Will Socialism Bring Relief?

Capitalism came into being because of the failure of Feudalism. Socialism will come into being because of the failure of Capitalism. Feudalism failed to master even the art of production. Capitalism mastered production but failed to provide for consumption. As far as mechanical distribution is concerned, Capitalism has succeeded in creating the necessary machinery, but profit-taking prevents the purchasing power reaching the hands of the average citizen.

Just as Feudalism passed on to Capitalism its gains and its knowledge, so now as mankind marches onward, Capitalism passed on to the next economic system its quota of success and knowledge.

The keynote of Capitalism's success in the realm of production was rewards—wages, salaries, honour for work well done; better wages for better work; rewards to science; rewards for invention; rewards for initiative; recognition of genius. All of these Socialism will retain.

The things that have caused Capitalism to fail are concentration of wealth in the hands of a few, unemployment, lack of purchasing power, lack of constructive planning, the creed of "no profit, no sale," lack of social consciousness, disregarding the rights of humanity in a frantic attempt to maintain profit-taking, the insistence upon the private ownership of public property. These things Socialism will eliminate.

CAN IT BE DONE?

Here we are in Canada, barely ten millions of people, inhabiting a country which ranks amongst the greatest in the world in natural wealth; we are surrounded by plenty, and spend our time whining about a world crisis.

Under Socialism, what would Canada do with her natural wealth? Would she continue to pay tribute to the Financial Barons?

A few years ago Saskatchewan floated a bond issue, the price to the public was \$94.45, the commission payable for flotation charge 2¾%, the interest rate 6.5%. These

20-year bonds are free from all Saskatchewan taxes. This means that for each \$100.00 bond the province of Saskatchewan gives to a bondholder it receives only \$91.70. The people of Saskatchewan pay \$6.50 on every \$100.00 each year for 20 years, and at the end of 20 years, they pay to redeem the bond not \$91.70 but \$100.00. These bonds were in denominations of \$500.00 and \$1000.00. Obviously it was not intended that the common people should be let in on these tax-free privileges. In cold figures it means that we receive \$917.00 for a \$1000.00 bond. At the end of 20 years we will have paid \$1300.00 in interest, then we redeem the bond at \$1000.00, making \$2300.00. At the end of 20 years it has cost the taxpayers \$2300.00 to obtain \$917.00, and in addition we free the bondholder from all taxes on his bonds, while we levy an income tax on all salaries in excess of \$750.00 per annum.

It is this kind of financing that has burdened the province of Saskatchewan with a net debt at January 1st, 1938, of \$218,000,000, and the Dominion of Canada with a net debt at January 1st, 1938, of \$3,041,915,556.03.

Our Canadian Constitution, known as the British North America Act, gives to our Province and to our Dominion, certain powers. The control of currency and credit rests with the Dominion Government, interest rates, bankruptcy laws, jurisdiction over criminal courts, international trade, foreign policy, are all Dominion powers; but there rests with the provinces wide and important power—control over property and civil rights, education, debt adjustment, moratorium power, health services and the control of all purely local matters rests with the Provincial Government.

Because this is so, a Socialist Government in Canada, and Socialist Governments in the provinces will, of necessity, so shape their policy as to bring about Social legislation in both Dominion and Provincial fields.

With this in view, the C.C.F. National Policy includes Socialization of banks, setting up of a Marketing Board to guarantee the farmer a decent price for farm products, Import and Export Boards to develop trade with other countries, development of Co-operative and State enterprises to break the power of monopolies and distribute goods to the people at fair prices.

Our Provincial Platforms include such planks as Debt Adjustment, revision of Land Contract and Mortgage Laws so as to give security of tenure, development of Natural Resources by Provincial Boards and Commissions, assistance to Co-operatives, and the setting of fair wage rates and hours of labour. Taken together, the two policies give complete Social justice to the people of Canada.

The extent of our Provincial powers are not generally realized. As an illustration, the vast Timber Resources and Mineral Deposits of Northern Canada are entirely the property of the Provincial Governments. They, and they alone, can decide the method of their development. Up to date, under Capitalistic Governments, the policy has been to give this heritage of the people away to Corporations and Syndicates who immediately proceed to slash down the timber and destroy the whole area in which they operate. Little or no reforestation is undertaken and no consideration is shown for the future of Canada. Strange to say, the Social Credit Government under Mr. Aberhart, who talks so loudly about the cultural heritage of the people, are foremost among the Canadian Provinces in giving this heritage away to Private Corporations.

A C.C.F. Government will undertake to develop these natural resources through Government institutions and preserve for the people the heritage of wealth which rightfully belongs to them.

In Sweden, where a Social Democratic Government is in power, the timber berths are developed by the Government. Private Corporations who have been given leases by past Governments are required to plant two trees every time they cut down one. As a result, Sweden's forests are more valuable now than at any time in her history. The worker is protected by labour laws and the consumer by price levels enforced, not by price fixing alone, but rather by the development of Co-operatives and State enterprises which force prices down by being able to sell at low levels because they are non-profit institutions. As soon as the Social Democratic Government came into power in Sweden they discontinued the practice of leasing Timber Reserves to Private Corporations. They have set up their own department of forestry, hired their own foresters, cut their own saleable timber, erected their own mills, and built

homes for Swedish people out of Swedish lumber.

The State banks are used to finance these enterprises—decent wages are paid to the workers. Purchasing power is put into circulation to buy Swedish goods. This policy, applied to development of all Natural Resources, has enabled Sweden to pull herself out of the mire.

It is not generally realized that each Provincial Government in Canada has the power to set up Boards and Commissions to engage in commercial enterprises of all kinds and, if necessary, give these Boards and Commissions complete control of any particular industry. And yet even today under Capitalism we have found it necessary to set up a number of Boards and Commissions to handle various commodities. In Saskatchewan, our Liquor Board has complete control of the wholesale distribution of liquors and wines, and the retail sale is regulated by the Board. No person can purchase liquor from any source other than from the Board itself, and no one can sell liquor for retail sale except by license from the Board. The trade is carefully regulated and under absolute control of the Government.

The Power Commission is engaged in the production and sale of electrical power. This Commission does not control the entire production of power in Saskatchewan—it is competitive rather than monopolistic and can readily be extended to serve far more of the province than it at present takes care of. The Commission has been instrumental in keeping rates at a reasonable level in the portions of the Province it supplies. With a C.C.F. Government in power this principle will be extended to take in those industries which have now become virtual Private Monopolies. A Farm Machinery Board will be set up to break down the exploitation which is now being practised by Agricultural Machinery Companies. A Commission to control the wholesale distribution of gasoline and fuel oils will be set up, in order that the millions of dollars which now flow out in profits to gigantic monopolies in gasoline and fuel oil, may be kept within our Province, thereby lowering general taxation, and enabling Saskatchewan consumers to obtain gasoline and fuel oil at reasonable prices.

The reader will have noted that at no place in this pamphlet does the author suggest that a Socialist Govern-

ment will take over small independent businesses or farm lands.

To some people this will seem strange, in that they believe Socialism to consist of the state taking the title to everything. This is, of course, an entirely erroneous idea. Let us examine the Socialist position as it applies to property.

We have today, in our present Capitalistic Economic System, three kinds of property: personal property, private property and public property. According to Capitalism, personal property includes a man's home, his automobile, his watch, etc., etc. (some people seem to think it includes their wives, until they find out differently). Public property, according to Capitalism, is any portion of the public domain, such as oil fields, timber limits, or public utilities such as electric light plants, transportation facilities which some Capitalist has not yet been able to get control of. Once they are able to get these things away from the public, either by having them given to them by an erring Government, or by purchase or lease, they immediately become, according to Capitalism, private property. The essential difference between private property and personal property under Capitalism is that personal property is used in your everyday life in order to sustain your personal well-being, whereas private property is something which would ordinarily have belonged to the public and from which you, by obtaining control of it, are able to make a profit out of your fellow man.

In a Socialist State there will be only two kinds of property—private personal property and public property. Personal and Private property will become the same thing. The name is interchangeable meaning things personally or privately owned. Public property will consist of the Natural Resources, the Timber Lands, the Mines, the Oil Fields, Public Utilities, such as the Banking System, Transportation Systems. Power Plants, etc., and out of these different types of public property the State and the Co-operatives will create more and more private personal property such as homes, farmsteads, automobiles, tables, chairs, silk stockings, etc., etc., etc., to become the personal property of the people. A Socialist Government regards it as their duty to follow out the teachings of the

Economist, who says that a successful economic system will not only create all the goods and services possible, but will also make those goods and services the property of the people. Now let us go back to the personal ownership of farms.

As I mentioned a short time ago, there are people who seem to think that Socialism consists of the State taking title to things. This is entirely wrong, as you will quite readily realize when you consider the following facts.

We will suppose, for the purpose of illustration, that the present Capitalist Government of Saskatchewan were to take title to all the Timber Mills in Saskatchewan, and then, being the kind of Government it is, would say to the present operators, "We are not going to interfere with your profits. We have the title to the Timber Mills but you will still be allowed to operate on the present basis under a lease from us. You can sell your timber at the high prices you are now selling it—you can pay your workers at the same small wages you are now paying, that will be all right with us." Obviously in that case taking title would not bring Socialism.

Or let us consider a second alternative. We will suppose that the present Government took title to all the Timber Mills, and said, "Now we, the Government, are going to operate these timber berths," and being a Capitalist Government it would naturally seek to make all the profit possible out of its operations, and would, therefore, continue to sell the lumber at the present high prices and continue to pay the workers the present low wages. In that case, although the Government had taken title and although the Government was in actual operation, you still would not have Socialism; but what you actually would have, would be State Capitalism. This is what has been done to a very large degree in both Germany and Italy.

But we will suppose the Government said to the present timber operators, "We are not interested in the title to the mills, but we are interested in the price at which you sell your timber, because we want it to be produced for use, and we are interested in the wages you pay, because we want these men to be able to buy goods, and we are interested in the preservation of our Timber Resources; therefore, although we are not taking the title to the mill, we

are going to insist that you plant two trees to take the place of every one you cut, and we are going to set your wage scale for your workers in order to prevent exploitation, and we are going to develop some Co-operatives and State Mills in order that, by competition, we may fix prices where they ought to be, by creating some non-profit institutions." In that case what the owners would really get out of it would be a wage for administration and not a profit on invested Capital. In that case the Government would have brought about Socialism, although they did not touch the title, because they would have forced these people to sell their products at a reasonable price and pay wages high enough to enable the workers to buy the goods.

Or as another alternative, let us suppose that a group of citizens banded themselves together to set up a Co-operative Home Builders' Association, and with Government supervision and assistance, financial and otherwise, extended their operations until they were able to control Mills and Timber Berths. Inasmuch as the object of such an association is not to make a profit, but rather to produce goods for the use of its members, and inasmuch as the association is Co-operative in its intent, it would pay wages which would enable the people to buy the goods created, and in that case we would have the purest form of Socialism. You would have Producer and Consumers' Co-operatives working together in a joint enterprise which they jointly own, to produce goods for use rather than for profit, and yet the Government would not have touched the title.

So also with farming. If the Government of Saskatchewan were to take the title to all the farms, then lease them out to the present operators and still allow the speculator to exploit the farmer by controlling the ultimate sale of farm produce, and did nothing about wages of people who work for the farmers, taking the titles would in no way bring Socialism. But if the Government were to say to the farmer (as a C.C.F. Government will), "We are not interested in the title of your lands; we do not want it, but we are interested in seeing to it that you receive sufficient from your agricultural products to enable you to buy your fair share of the goods of Canada, and we are interested in the amount of wages you pay to the man who works with you, and for you, on your farm; therefore, we

are going to use the State Bank to finance Marketing Boards, as is now done by the Socialist Government in New Zealand, and we are going to pay you a fixed price for your farm products, based upon the amount that you must have in order to buy your fair share of production. We are going to take delivery of these products, and sell them through our own State agencies, instead of allowing speculative organizations to play with them and exploit both you and the consumers, and because we are setting your wages at a fair figure through this fixed price that we give you for your products, we believe that it is only fair and just that we set the wages of your hired man and hired girl at a fair amount, and fix the hours of labour. By doing these things we will prevent you being exploited, and we will prevent you exploiting anyone else." When you couple with this action the providing of farm implements through a Farm Machinery Board at reasonable prices, you will readily realize the farmer is then placed in a position where he may produce and receive in return for his production a living wage. You will readily realize that his produce, having been delivered to the State at a fair price, will in turn become the property of the people of the country at a fair price, and that such of it as goes into export will bring back to Canada, goods, to become the property of the people of this country.

In other words, Socialism will be giving the same protection to agriculture as it does to industry—a guaranteed wage, safety and security in his home, the guarantee of an occupation in which he may labour and know he will receive a just reward. It is significant that, to obtain all this, the C.C.F. Government does not touch the title at all. These things have been done in other countries where Social Democratic Governments are in power. They can be done here.

Now, what about merchants? Does the C.C.F. intend to take over all merchandising or will the merchants be allowed to continue in business?

Again we find we have to deal with a confusion of words. The average merchant regards the difference between the amount he pays the wholesale house for his goods, and the price he sells them for over the counter, as his profit. This is a misconception, a confusion of terms.

This margin is not profit; it is the merchant's wages, and he is entitled to it. This money is his reward for the service he renders society as a distributor, and is not profit at all, but rather a wage he has earned.

It is possible, of course, for this wage to be turned into a profit. If, for instance, a merchant, or group of merchants (a corporation) is able to obtain a monopoly in the handling of a commodity, as is the case with farm machinery, they would then be in a position to exploit the consumer and extort a profit rather than merely receiving a fair wage. In cases such as this, a C.C.F. Government will take action, to prevent exploitation, but will not interfere with the merchant in his necessary and legitimate function as a distributor. Indeed, Socialism will increase his wage along with that of every other citizen; for is it not obvious, that in an economic system where the wages paid are capable of purchasing all the goods produced, the amount of trade in our stores will be greatly increased and inasmuch as a merchant's wage or salary consists of a small margin or commission on each article handled, the increased turnover will, naturally, increase the net wages every merchant will earn.

Socialism will benefit the consumer as well as the merchant, because the greater the volume of sales, the less the individual handling charge need be, to pay a fair wage and take care of overhead expenses, thus not only will the merchant receive a better wage, but also the consumer will receive goods at lower prices.

Above all, Socialism will do just what every other democratic economic system has done. It will bend and change to meet changing conditions. It will try this and that, and when it finds a certain theory does not work, it will mold its practice to the needs of humanity.

Socialism does not quarrel with Capitalism over details of administration. Socialism does differ with Capitalism on the fundamental question—has man the right to exploit his fellow man? Socialism says exploitation of man by man means hatred, poverty, war and chaos. Capitalism says only by competition and profit-making (an euphonious term for exploitation) can mankind be kept virile—much the same principle as is used in training a bull terrier to fight. It is rather amusing! Capitalism, which has built

so many Churches, given so much lip worship to the Prince of Peace and legislates against dog fights, still trains human beings to believe that competition and profit seeking are necessary to human development. Our precepts say, man is Immortal, but Capitalism says, "No, we are just beasts," and the law of the jungle is the highest that man can hope to regulate his conduct by.

The struggle between Socialism and Capitalism is something far more than mere details of administration. It is as deep as life itself. It is the right of the less fortunate to live.

This brings us to Co-operative Governments, Union Governments, Coalitions, National Governments, and all that.

Chapter 8

Group Governments, Co-operative Governments

As the struggle sharpens between the two economic systems, Capitalism, in the face of impending disaster, seeks to maintain its position by every possible means. One of these is by Governmental and Party Coalitions of various kinds.

Probably the most pitiful thing in life, is the reformer who does not understand economics. Pitiful, because his very desire for reform is used to his own and the people's undoing.

If he does not understand the fundamental struggle between Production for Use, and Production for Profit, he looks about for other ways of explaining the deplorable conditions. Some reformers whom I have met have said, "No, it is not Capitalism, it is the abuses of Capitalism, Interest, Deflation, the Gold Standard, etc." To them it was all right for the tiger to have claws but she should not have used them. They fail to see that Interest, Deflation, the Gold Standard, etc., are but the reflections of a thing inherent in the Capitalist system, the Profit Motive.

Others I have met who have said, "It is these political parties. What we need is a business Government, a Cabinet elected from all the various groups in the House."

To them it was a matter of maladministration. They fail to see that the struggle was not merely that of changing the dogs (he who is now the under-dog changing to the position of top-dog). They fail to see that it was necessary to remove the thing that made the dogs fight before you could ever have Unity and Peace. For how could a Cabinet, composed of Liberals who believe in Capitalism, Conservatives who believe in Capitalism, Social Crediters who believe in Capitalism, Independents who believe in Capitalism (if I be wrong, then will some Independent please have the courage to stand up and say he is a Socialist?) and C.C.F.'ers who believe in Socialism, bring anything but Capitalism?

Even supposing, for the sake of argument, that some of our Independents, or Social Crediters, or what have you,

are Socialists and do not know it, or do not like to say so. How much further does that get us? Is there any common ground between Right and Wrong?

Such a Government would simply be a house divided against itself, and again the people would have been fooled—led to believe a Coalition, a Nationalist, a Co-operative, a Union Government, or a Progressive Government would save them, and all that would happen would be a new division of the spoils of office, and a continuance of Capitalism.

"Ah, but," someone will say, "maybe the Socialists might convert the Capitalists." It is true, nothing is impossible; but Christ said, "It is easier for a camel to pass through the eye of a needle than for a rich man to enter the Kingdom of Heaven." Writers, explaining the passage, state that Christ referred to the great difficulty that any one in a favored position has in understanding the conditions of those in poverty.

Nothing is impossible; but some things are so nearly impossible as to be about the same thing. It has been said that what a Member of Parliament does not know about economics before he enters the House, he rarely learns afterwards. History records very few cases of Parliamentary positions, comfort and flattery turning men or women into Socialists, but unfortunately it does record many cases of such positions causing former reformers to become supporters of Capitalism.

Unfortunately, the saying "When the wolf and the lamb lie down together, the lamb is generally inside," is still true. To believe that any kind of realignment within the present economic system will effect any real remedy, is to believe that our difficulties are merely administrative, and not economic. To believe this is to accept Capitalism and reject Socialism.

(It is to be noted that when the writer speaks of a Co-operative Government in this chapter, he uses the term Co-operative Government as the politicians use it—a Government made up of different groups in the House co-operating in legislation. He does not use it in the sense that a true Co-operator would use it, to mean a Government which accepts, as the basis of legislation, production for use instead of production for profit.)

Chapter 9

Is Socialism Anti-Christian?

In the Scriptures it is written that a certain Scribe asked the Master which is the greatest Commandment of the Law, and Jesus answered him:

"Thou shalt love the Lord thy God with all thy heart and with all thy soul and with all thy mind. This is the first and great Commandment. And the second is like unto it. Thou shalt love thy neighbour as thyself." (Matt. 22:35, 39.)

It is always the Capitalist agitator, the scandal-monger of the Capitalist forces, who brings forward the anti-Christian propaganda to confound the timid and uninformed.

What is the truth? Which can most fittingly fulfill the law of the Scriptures as set out by Christ—Socialism or Capitalism?

Under Capitalism, as the very motive is Self and Profit, no real Capitalist can love God with all his heart, soul and mind (unless it be the god Mammon), nor can he love his neighbour as himself, for how can one love the very person whom one is planning to take advantage of in a business deal? Obviously, it is impossible. It recalls one of Christ's other statements:

"Many will say unto me in that day, Lord, Lord, have we not Prophesied in Thy name, and in Thy name cast out devils, and in Thy name done many wonderful works; and then will I profess unto them: I never knew you; depart from me, ye that work iniquity."

The Capitalistic system with its lip worship on Sunday and its ruthless competition and self-seeking on Monday, its hypocritical condemnation of Socialism, because Socialism lives out its creed in actual deeds, rather than by loud professions, reminds one very forcibly of the parable in the twenty-first chapter of St. Matthew. Christ, talking to the chief priests and elders of the people, said:

"What think ye? A certain man had two sons, and he came to the first and said, Son, go work today in my vineyard. He answered and said, I will not, but afterwards he repented and went. And he came to the second and said likewise, and he answered and said, I go, sir, and went not. Whether of the twain did the will of his father? They said unto him, The first. Jesus answered them saying, Verily, I say unto you, that publicans and harlots go into the Kingdom of Heaven before you."

Loud professions are generally the cloak of the hypocrite. Now what of Socialism, which does not profess so loudly, which oftentimes prays in the closet and works silently for good in secret places? Could one love one's God and one's neighbour as one's self under Production for Use and not for Profit?

Under Socialism, the duty of mankind would be Brotherhood and mutual help, not competition and self-seeking, so that neighbour-loving would become possible, indeed inevitable.

What of love of God? Christ's interpretation of the love of God is summed up in that story of the Judgment in St. Matthew, 25th Chapter: "Verily I say unto you, inasmuch as ye did it unto one of the least of these my brethren, ye have done it unto me."

He who serves his brother serves his Creator. He who faithfully serves the Socialist Cause would serve his brother man, for the State under Socialism would be a Co-operative Commonwealth of each for all and all for each, in which the wage and the reward to each would be measured by his service to all.

Chapter 10

Synopsis

Some of my readers may desire to use this book for reference when debating Socialism vs. Capitalism. I am, therefore, condensing in a short synopsis the bulk of the argument contained in the book in a form which may be used for ready reference.

What are the facts in regard to these two diametrically opposed theories of human relationships?

Socialism is based upon the theory of Production for Use.

Capitalism is based upon the theory of Production for Profit.

Socialism is based upon the theory of Public Ownership of Public Property.

Capitalism is based upon the theory of Private Ownership of Public Property.

Socialism is based upon the theory of Co-operation.

Capitalism is based upon the theory of Competition.

Both Socialism and Capitalism recognize the right to own personal property but Socialism defines personal property as being such things as: furniture, watches, homes, farms, clothes, automobiles, etc.—things used personally in daily life and not owned as a means of exploiting others. Socialism differentiates sharply between personal property and public property. Socialism declares that all Natural Resources placed in the world for the use of man by the Creator, and all things which have been built up for the amelioration of life, by mankind collectively, are in reality public property.

Capitalism believes in the personal ownership of Public Property. It defines any part of the Natural Resources of a country—Coal, Timber, Oil, Mines and Minerals, Lands, Water Power, etc., which have been alienated from the State, either by purchase or by graft, as Private Property.

Capitalism regards the privilege of the issuance and control of Currency and Credit by the Chartered Banks as being Private Property.

Socialism regards the issuance and control of Currency and Credit as something which is vital to all persons, and only made valid by social recognition and support, and,

therefore, Public Property, to be exercised by the public through State institutions.

Capitalism regards Gigantic Factories, Mills, Transportation Facilities, etc., as Private Property.

Socialism regards these things as social enterprises, which are only feasible and of service when carried on and supported by all the people generally, and regards the private control of these social functions as a danger and a threat to the Public Welfare, and, therefore, regards them as Public Services, to be carried on through State institutions.

Socialism, believing, as it does, in Production for Use, regards employment as necessary to the well-being of the State, in order to produce further commodities to be used by humanity.

Socialism regards wages as a method of giving a reward equal to the service rendered, and as a means of providing humanity with a medium of exchange (or purchasing power) sufficient in volume to purchase the goods produced, and therefore charges the State with the responsibility of providing the people with an opportunity of earning a living, by providing employment, an adequate wage scale, and a system of currency and credit which releases purchasing power into circulation of sufficient volume to allow goods to be purchased by the people and thus make it possible for people to own, enjoy and use the wealth they have produced.

Capitalism, believing in the "Profit Motive," views the problem of employment and the question of wages from the angle of the profit to be gained. If discharging employees means more profit, then they must be discharged. If wage cuts seem to promise more profits, then Capitalism cuts wages. If, as a result, goods pile up—factories and stores close down and unemployment grows widespread; all these must be suffered in order that the profits may be garnered by the privileged few.

THE PROFIT MOTIVE

Both Feudalism and Capitalism have espoused the theory of the right of a few to profit by the labour of the many. But even under Feudalism the challenge, which later took form as Socialism, appeared. Champions of the rights of the people arose, led short-lived insurrections, and

perished in battle or on the gallows. Writers and thinkers denounced the motive of profit as a basis for human relationships and urged the acceptance of the teaching of Christ, and of the great Philosophers and Moralists. For a time theirs were voices crying in the wilderness, for humanity was not yet ready to establish a truly lasting Social System. Though partial and experimental attempts were made from time to time, the struggle of mankind, up from savagery to ultimate civilization, had not yet progressed far enough, and the masses continued to be exploited for profit under Capitalism even more successfully than under Feudalism. Scientific inventions opened up new fields, new methods of industry were discovered, and new wealth was rapidly garnered, and though the hardships of life became less severe, the lot of the common people continued to be one of servitude and suffering.

Capitalism is based upon a theory of the Personal Ownership of all property. It recognizes no such thing as Public Ownership, save and except where social consciousness has forced that recognition upon it. Capitalism, at the height of its glory and in its full perfection, would be a world in which one person, or an association of persons, control the destiny of that world by having, through shrewdness, wisdom or ruthlessness, call it what you may, obtained possession of its Natural Resources and established a claim upon the labour of the mass of its inhabitants. Indeed, today's trend towards the control of World Affairs by one dominant group of financiers is making towards a perfect Capitalism.

Any public ownership that exists, such as public ownership of Communications, the Post Office, Schools, Public Education and Co-operative Organizations is alien to Capitalism and has been forced upon it in the ebb and flow of a struggle between the two economic systems of Capitalism and Socialism. These Social services and Co-operative efforts, operating as an alien factor in a Capitalist structure, are under a continuous handicap, yet, strange as it may seem, they survive and have in many instances become indispensable. Indeed, these things are but the forerunner of things that are to follow—they begin to define "the shape of things to come."

PUBLIC OWNERSHIP

Socialism, briefly defined, is an Economic System based upon a theory that none of the resources of the world, whether a Natural Resource or produced by the collective intelligence of mankind, should be owned by individuals and corporations and used to make profits out of society, but rather should be held as common property for the common good, and be used to produce goods for the use of society. Within the definition of Natural Resources would fall such things as Water Power, Minerals and Forests, which were placed there by the great Creator, and also such human institutions as Monopolistic Factories, Mills, Railways, etc., the medium of exchange and the collective credit of a country. Socialism accepts this theory as its foundation in order to ensure that no man or group of men shall be able to amass wealth at the expense of other men, to curtail production artificially for their own ends or to hamper consumption by excessive distribution charges, and thus cause humanity to suffer.

PRIVATE OWNERSHIP OF PERSONAL PROPERTY

Socialism provides for the private ownership of personal property such as the farm or home in which an individual dwells, or the personal comforts of life that are used in order to make life fuller and better. Socialism does not mean, as some people would have you believe, that if you have two shirts you must give one to your friend or share your house with a stranger. It does mean that no one will be obliged to go without a shirt or without lodging. These things—shirts, homes, radios, washing machines, brooms, mops, automobiles, a dress suit, a sewing machine and silk stockings are personal property. Socialism not only recognizes the right to the possession and enjoyment of personal property, but wants to make it possible for people to enjoy a great deal more of it.

PRODUCTION FOR USE

The object of Socialism is to make the world better, not for the few but for humanity. In order to do this, Socialism adopts as its ideal, Production for Use—a direct contradiction of Capitalism's ideal, Production for Profit.

Under Socialism the profit motive will be eliminated and the motive of production will be to create more and more goods in order that everyone may own and enjoy more personal property—for in Socialism the wage scale is only limited by the amount of wealth (goods) produced. Thus in Socialism we would raise our standard of living every time we increased production.

To the question, "Am I My Brother's Keeper," Socialism replies "No, but I *am* his brother," while Capitalism looks upon each man as his brother's competitor, prey or master. Under Capitalism, if there is no profit to be made by growing wool and manufacturing clothes, then, by the rules of the game, mankind may go unclothed; if there is no profit to be made by producing food, mankind may go unfed.

There are some who argue: "But no one will produce for use and not for profit, because no one will work without wages." This argument arises from a confusion of words. Those who argue thus are confusing the word profit with the word reward. No one should work without reward (wages) and Socialism does not intend that any shall be asked to work without reward. Socialism offers to humanity employment, an opportunity to serve and a just reward of the service rendered. Socialism does not allow rewards without service, nor will it allow service without reward. Reward, or remuneration, or wages, means a return for service rendered. Profit means something in excess of a just reward, and it is this unearned increase (profit) which is the cornerstone of Capitalism.

There are those who say that Socialism is too spiritual, too idealistic, ever to become a workable system. They argue that it is all right as an ideal, but people have not yet developed to the point of being able to live up to its idealism. Perhaps the answer to that is that we have now reached the time when we must look on religious idealism as part of life—everyday life—or we will lose life itself. Perhaps we have, until now, missed the whole spirit of religion. Perhaps we have been too prone to place religion within the stone walls of a church and keep it out of our everyday life. And, just possibly, we have only now reached the time when we can really understand some very significant passages in the Bible, such as that in which

Christ said that His disciples would be known by their deeds rather than by their creeds, or that searching question, "What shall it profit a man if he gain the whole world and lose his own soul?"

Perhaps we should ask ourselves what it will profit us if we evolve a system of Capitalism so perfect that one man may own the whole world, if humanity is destroyed in the process.

A PLEA FOR SOCIAL JUSTICE

The system of profit-making means hunger, thirst, nakedness, eviction, broken homes. It means children crying for bread and dying for lack of medical attention. How often in these last few years have I had men come to me with madness in their eyes and say, "My children, my babies are suffering"? The cruelty of this system is all the more cruel because it is impersonal. Would I could take all well-fed, satisfied men and women and show them the other three-fourths of Canada, homes of fear, men who have lost their courage, women who have lost their hope, and children who have lost their birthright of happiness. Those poor little ones—why must they suffer?

Is it really necessary—or will you make just one more attempt to lend your aid earnestly and honestly in making a better world, and thus fulfill your duty to the coming generations? Think not to do it without suffering and sacrifice. You will find, as others have, that you will be villified, lied about and despised, by people with power and prestige. It will be necessary for you to remember, times without number, that they who would not suffer, will never be great enough to serve.

